



General Assembly

February Session, 2012

**Raised Bill No. 5511**

LCO No. 2270

\*02270\_\_\_\_\_JUD\*

Referred to Committee on Judiciary

Introduced by:  
(JUD)

**AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 47-261e of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2012*):

3 (a) The executive board, at least annually, shall adopt a proposed  
4 budget for the common interest community for consideration by the  
5 unit owners. Not later than thirty days after the adoption of a  
6 proposed budget, the executive board shall provide to all unit owners  
7 a summary of the budget, including a statement of the amount of any  
8 reserves, and a statement of the basis on which such reserves are  
9 calculated and funded. Simultaneously, the board shall set a date not  
10 less than ten days or more than sixty days after providing the  
11 summary for either a meeting of the unit owners or a vote by ballot  
12 without a meeting to consider approval of the budget. If, at that  
13 meeting or in the vote by ballot, a majority of [all] the unit owners  
14 voting or any larger number specified in the declaration votes to reject  
15 the budget, the budget shall be rejected. If, at that meeting or in the

16 vote by ballot, a majority of [all] the unit owners voting or any larger  
17 number specified in the declaration does not vote to reject the budget,  
18 the budget shall be approved. The absence of a quorum at such  
19 meeting or participating in the vote by ballot shall not affect rejection  
20 or approval of the budget. If a proposed budget is rejected, the budget  
21 last approved by the unit owners continues until unit owners approve  
22 a subsequent budget.

23 (b) The executive board, at any time, may propose a special  
24 assessment. Not later than thirty days after adoption of a proposed  
25 special assessment, the executive board shall provide to all unit owners  
26 a summary of the proposed special assessment. Unless the declaration  
27 or bylaws otherwise provide, if such special assessment, together with  
28 all other special and emergency assessments proposed by the executive  
29 board in the same calendar year, do not exceed fifteen per cent of the  
30 association's last adopted periodic budget for that calendar year, the  
31 special assessment is effective without approval of the unit owners.  
32 Otherwise, the board shall set a date not less than ten days or more  
33 than sixty days after providing the summary for either a meeting of the  
34 unit owners or a vote by ballot without a meeting to consider approval  
35 of the special assessment. If, at such meeting or in the balloting, a  
36 majority of [all] the unit owners voting or any larger number specified  
37 in the declaration votes to reject the special assessment, the special  
38 assessment shall be rejected. If, at such meeting or in the balloting, a  
39 majority of [all] the unit owners voting or any larger number specified  
40 in the declaration does not vote to reject the special assessment, the  
41 special assessment shall be approved. The absence of a quorum at such  
42 meeting or participating in the vote by ballot shall not affect the  
43 rejection or approval of the special assessment.

44 (c) If the executive board determines by a two-thirds vote that a  
45 special assessment is necessary to respond to an emergency: (1) The  
46 special assessment becomes effective immediately in accordance with  
47 the terms of the vote; (2) notice of the emergency assessment must be  
48 provided promptly to all unit owners; and (3) the executive board may

49 spend the funds paid on account of the emergency assessment only for  
50 the purposes described in the vote.

51 (d) Notwithstanding any provision of the declaration or bylaws to  
52 the contrary, at least fourteen days prior to entering into any loan  
53 agreement on behalf of the association, the executive board shall (1)  
54 disclose in a record to all unit owners the amount and terms of the loan  
55 and the estimated effect of such loan on any common expense  
56 assessment, and (2) afford the unit owners a reasonable opportunity to  
57 submit comments in a record to the executive board with respect to  
58 such loan.

59 (e) Unless prohibited or otherwise limited in the declaration, if the  
60 executive board proposes to enter into a loan agreement on behalf of  
61 the association and to assign its right to future income as security for  
62 such loan pursuant to subdivision (14) of subsection (a) of section 47-  
63 244, then, in addition to satisfying the requirements of subsection (d) of  
64 this section, [unit owners of units to which at least a majority of the  
65 votes in the association are allocated, or any larger percentage or  
66 fraction stated in the declaration, must vote in favor of or agree to such  
67 assignment] the board shall set a date not less than ten days or more  
68 than sixty days after satisfying the requirements of subsection (d) of  
69 this section, for either a meeting of the unit owners or a vote by ballot  
70 without a meeting to consider approval of such assignment. If, at such  
71 meeting or in the balloting, a majority of all unit owners or any larger  
72 number specified in the declaration votes to reject the assignment, the  
73 assignment shall be rejected. If, at such meeting or in the balloting, a  
74 majority of all unit owners or any larger number specified in the  
75 declaration does not vote to reject the assignment, the assignment shall  
76 be approved. The absence of a quorum at such meeting or  
77 participating in the vote by ballot shall not affect the rejection or  
78 approval of the assignment.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2012	47-261e
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**Statement of Purpose:**

To: (1) Require that the budget and a special assessment of a common interest community be approved by a majority of the unit owners voting instead of a majority of all unit owners, (2) reform the voting process used in a common interest community concerning approval of an assignment of a right to future income when used as security in a loan agreement.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*